

"Pennsycare"

by J. STANLEY SMITH, M.D.

*Medical Director, Office of Public Assistance
of the Commonwealth of Pennsylvania*

(NOTE: The following article was presented at the 13th Annual Meeting of Region III of the Association and the Pennsylvania Orthopedic and Prosthetic Society at Williamsport, Pa., April 22, 1966.)

Pennsycare, which I have been asked to speak about, is the implementation of Title 19 as put in effect by The Office of Public Assistance of the Department of Public Welfare. The Social Security laws are a collection of titles which have set up categories of persons for whom the Federal Government will supplement with funds the programs set up by the states for their medical care. These categories consist of the aged, the blind, the permanently and totally disabled, and the families of dependent children. Now a new category, that of medical assistance, has been set up under which Pennsylvania has implemented Pennsycare.

There is one category which gets no Federal reimbursement. These are general assistance groups—chronically unemployed, alcoholic, etc., people who depend on public assistance and who accept this as a way of life, so the Government can take care of them. This category consists of 11% of the total public assistance group, but for every one of him, there are ten who deserve public assistance.

Medical care provisions that have evolved under these various titles, as they have been passed and amended, constitute what we now understand as the medical program of the Office of Public Assistance, and these medical programs are now devoted to medical care.

You are familiar with the Kerr-Mills bill for medical care program. Medical Aid to Aged was implemented for hospital care, nursing care of the aged, etc. The Pennsycare is an enlargement of this.

Services in 18-A

The new medicare law consists of two titles—18 and 19.

18-A Medicare includes compulsory social security—hospital care for the aged. Whether you wish or not to accept it, you are eligible. You do not have to enroll. You have to make application when you are in the hospital. The only ones who are not eligible are aliens who have been in this country less than 5 years, or persons convicted of a crime of sedition.

The services provide in-patient hospital care at a reasonable cost for semi-private care up to 60 days, with an additional 30 days co-insurance at \$10.00 a day. Your spell of illness starts the day you become hospitalized, and ends at the end of the 60th day, following your discharge from the hospital. It provides post-hospital health service and services or care in a skilled nursing home. There are regulations set up which govern care in a skilled nursing home or extended facility. This follows hospital care of 3 days.

Services included are 100 days in an extended care facility with this provision—first 20 days—full pay, following that, co-insurance feature—\$5.00 a day which you must pay for succeeding 80 days in this extended

care facility. You must have had 3 days hospitalization prior to, and you must be admitted within 14 days. Now this is not stated in the law, but it is implied—you must be admitted for the same thing you were hospitalized for.

You are eligible for post-hospital home health services. These are supplied by Certified Agencies like VNA or PNA, etc. You are eligible for 100 visits per calendar year during your spell of illness. These visits must be used within the calendar year—they cannot be carried over, even though your illness may. You are also eligible for out-patient diagnostic services during each 20 days in a certain spell of illness. This is subject to an initial deduction of \$20.00. All of these are subject to a written certification by a physician stating that these services are necessary. There are utilization committees in hospitals and nursing homes set up to identify and determine the amount of utilization—whether or not this hospitalization was necessary, whether the patient should stay this long, etc.

The law states that appliances (under 18-A) will be provided that are ordinarily provided by the hospitals for their in-patients. If we can include artificial limbs, etc., fine. I doubt that Social Security will concur that this comes under 18-A. A hip prosthesis, that is a prosthetic ball joint that is placed in the hip at the time of an operation—if this has replaced an organ—will be under Act 18-A.

18-B is not Medicare—it is a voluntary insurance plan which has been set up. You have to enroll—the same persons that are eligible in 18-A are eligible in 18-B, except you MUST enroll and must pay, either from your Social Security check, or from your own resources, \$3.00 a month. The \$3.00 is matched by the Government. Social Security is no Insurance Fund—it is taken off your pay.

Services in 18-B

All physician's services and supplies in home, office, hospital, etc., are payable under 18-B. All supplies in his office will be paid for such as diagnostic tests, x-rays, lab fees, radium, isotope treatments, surgical dressings, casts, splints, any supplies a physician may use. Rental of durable equipment which is necessary and not available through community service, such as an iron lung, oxygen tank, etc., is included. Prosthetic devices which replace all or part of an organ, excluding cosmetic surgery, will be paid, but no structures that support teeth or dentures—dentistry is out, except in surgery.

18-B provides that a reasonable charge be paid for the services listed above. The charges will be set up by the carrier. The Secretary of Health, Education, and Welfare shall consider the principles which are generally required by National Organizations, such as AMA, Hospital Association, etc., and shall consider principles which you folks set up. This means that each organization must set up its own recommendations and transmit to the Secretary those principles they favor and for which they stand.

Pennsylvania Blue Shield has been accepted by the Federal Government as the carrier for Pennsylvania under 18-B. There is a contract between the Government and Blue Shield, where Blue Shield will pay for certain services. There is a contract of participation between the physician and Blue Shield under their usual services, but in no way does the contract between Blue Shield and the Federal Government resemble this. There is an implied obligation by the Federal Government through their payment of \$3.00 a month.

There is a contract between the Government and the patient—between the Government and Blue Shield—to provide implementation of this law in the state of Pennsylvania. There is no implied participation between the Government and the physician, nor between Blue Shield and the physician. The fact that he is a participating physician under Blue Shield does not mean that he is a participating physician under Medicare. The role of Blue Shield is as an intermediary between the Government who pays the bill, and the physician who gets the payment for services, and the patient who receives the services.

Payment is made in two ways and Blue Shield decides what the reasonable charge is.

1. You bill the patient directly—when the patient pays—give him a receipted bill. Describe the service you have performed in a way which will allow the carrier to determine the cost or charge which would ordinarily be paid for that service. Then the patient will send to the carrier the receipted bill.

2. Accept assignment from the patient—then *you* bill Blue Shield directly. When you receive a check from Blue Shield, you will get back what they consider a reasonable charge (for your service) or brace, or whatever you supplied, less any deductible the patient has not paid, and less that 20% co-insurance.

18-B is set up on a yearly deductible \$50.00 with co-insurance feature of 20%. The Government will pay 80% of the reasonable charge, the patient will pay the remaining 20%.

Deductible in 18-A—hospital—everytime the patient has a spell of illness and goes into the hospital, he must pay \$40.00 deductible.

18-B. He must pay the accumulative \$50.00 deductible for all medical services which are provided under 18-B for 1 year. After he has paid the \$50.00 deductible, then all medical service for which he is eligible under 18-B, will be paid for as 80% of a reasonable charge, determined by the carrier.

Title 18 is a total Federal program. The regulations are written by the Federal Government under Health, Education, and Welfare. The state has nothing to do with it.

Title 19

Title 19 is a total state program. It is up to the State to set up a medical plan which must be okayed by Health, Education, and Welfare. It is totally state administered and regulated, albeit is financially supported about 54% by the Federal Government.

Title 18 is *only* for people *over 65*. Title 19 is for *everybody* in the State of Pennsylvania, from *1 day up to 100*. It is for the dependent, disabled, blind, aged, etc. There are eligibility requirements set up by the State above which we will not provide assistance. It is called those eligible for medical assistance. Who is eligible? There are two terms—The medically indigent and the medically needy.

A medically indigent person is one who now receives aid from the State Department of Welfare, a money grant for food, lodging, clothing, etc.

A medically needy person is one who has sufficient income to pay regular necessities such as food, clothing, etc., but not for illness or hospitalization.

Qualifications for medically needy people are:

1. A single person with an income of less than \$2,000.00 per year (excluding home, personal belongings, car, etc.), and any medical expense incurred in the past 30 days.

2. Couples with \$2,500.00 yearly incomes and \$750.00 for each additional dependent (excluding home, personal belongings, car, etc.) and medical expenses incurred in the last 30 days.

Under medical assistance, there is no legally responsible person who must support these people other than a spouse, living apart, less than 60 years of age (legally responsible, unless divorced). No lien can be applied against property when applying for medical assistance. No daughter, son, aunt, uncle, etc., etc., can be held responsible.

Provisions of Law

The services for any Federal category must be exactly the same in character, scope, amount, duration, etc., for every other category. For example, we can't do anything for the aged, that we don't do for the children, etc. It must be the same for everybody. We may not provide for persons in the medically needy group any services that we do not also provide for every person in the medically indigent group, but we can provide things for the medically indigent group which we do not necessarily provide for the medically needy.

What Is Pennsycare?

We have implemented title 19 under Pennsycare since January 1. We are implementing in-patient hospital care for all of our people—under 65, disabled, etc.—in-patient hospital care for 60 days, \$25.00 a day. We have public nursing home care for all of our people.

Public nursing homes are those which are operated by any arm of the Government, either state or local. This is usually a county home. Non-profit homes, those operated by a church, fraternal organization, are not considered public, but are called non-public.

This care in public homes is for an indefinite period as long as care is needed in contrast with that of 60 days of post-hospital nursing home care which may be either public or non-profit or proprietary.

Nursing service in home—unlimited number of professional nursing calls in home first month—12 calls after, physical therapy, etc., etc. Post-hospital nursing home care when discharged from the hospital into a nursing home (public or private), 60 days of nursing home care if admitted within 5 days of discharge from hospital, and in the same condition for which you were hospitalized. Hospital home care in an organized and recognized home care program based in a hospital.

What do we provide for indigent people in addition to these services?

We provide all of the same services that we provide for the medically needy, but we also provide the following:

Indefinite nursing home care in public and non-profit and private nursing homes, physician services in home and office, (do not provide hospital service), dental services, dentures, pharmaceutical services, all prescription drugs (written by a physician) in out-patient clinics or in the doctor's office. Out-patient hospital service for which the hospital is paid the same fee as the physician is paid for a call, out-patient hospital service calls in all hospitals which have regular out-patient services, will be directly paid to the hospital.

We pay for appliances, prostheses, etc., but they must be ordered by a physician and pre-authorized by the Public Assistance office. We also supply x-ray, lab services, etc., which must be authorized.

By the 1st of July, 1967, we MUST do the following:

We must provide physician services in the home, office, nursing home, institutions, and in the hospitals, for all patients under medical assistance.

We now provide physician services for indigents, those receiving money grants, in the home and office. We now must provide physician services for them in the hospital. We must also provide physician services for all persons under medical assistance at home, hospital, office and everywhere.

Out-patient services in the hospital for all medically needy will have to be added. 2,000,000 can qualify. We must provide this service under title 19. Skilled nursing home care, lab tests, x-ray services, etc., must be provided as of July 1, 1967, must pay reasonable cost of hospital. *All* of these services must be transferred to title 19, by July 1, 1970.

By 1st of July, 1975, we MUST have a full comprehensive medical program for all these people under medical assistance.

We are also mandated to pay the \$40.00 deductible for all persons under medical assistance, if they have a hospital admission. We are also including in the grant \$3.00 for every person over 65 who receives a grant. We are urging them to use this money to enroll in 18-B.

New Facilities Certified

By action of the Facilities Committee of the American Board for Certification, the following facilities have been granted Certification since the publication of the 1966 *Registry of Certified Facilities and Individuals*:

CALIFORNIA

Santa Monica:

MODERN PROSTHETICS APPLIANCES

P

2222 Santa Monica Blvd.

393-0523

C. Richard Fadely, C.P.

COLORADO

Pueblo:

SOUTHWEST SURGICAL SERVICE

P

807 N. Main Street

LI 5-2246

Saul M. Herstein, C.P.O.

ILLINOIS

Rockford:

ROCKFORD ORTHOPEDIC APPLIANCE CO.

O

422 East State Street

965-7759

Lloyd Modglin, C.O.

TENNESSEE

Knoxville:

KNOXVILLE ORTHOPEDIC APPLIANCE CO., INC.

O

1833 Forest Avenue

524-8021

Floyd T. Shown, C.O.